

Message Text

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PAGE 01 STATE 056444
ORIGIN OPIC-06

INFO OCT-01 EA-07 ISO-00 EB-08 COME-00 /022 R

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FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA

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FROM OPIC

E.O. 11652: N/A

TAGS: EINV

SUBJECT: APPLICATION FOR INVESTMENT INSURANCE - 497-74-201
(AVERY-LAURENCE)

REF: JAKARTA 2814

1. AVERY-LAURENCE (SINGAPORE) PTE. LTD. IS A WHOLLY-OWNED
SUBSIDIARY OF AVERY-LAURENCE LTD. S.A. (PANAMA) WHICH IN
TURN IS 95 PER CENT OWNED BY BALL CORPORATION, MUNCIE,
INDIANA. THE ABOVE APPLICATION FOR OPIC INSURANCE IS
REGISTERED IN THE NAME OF AVERY-LAURENCE LTD. S.A. (IN-
VESTOR) AND AVERY-LAURENCE (SINGAPORE) PTE. LTD. IS ACTING
AS THE AUTHORIZED REPRESENTATIVE OF THE INVESTOR IN THE
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HOST COUNTRY. CORPORATIONS ELIGIBLE FOR OPIC PROGRAMS
INCLUDE NOT ONLY THOSE U.S. FIRMS SUBSTANTIALLY BENEFICIALLY
OWNED BY U.S. CITIZENS BUT FOREIGN CORPORATIONS WHICH IN
TURN ARE 95 PER CENT BENEFICIALLY OWNED BY SUCH ELIGIBLE
U.S. CORPORATIONS. THUS AVERY-LAURENCE (SINGAPORE), WHOSE
BENEFICIAL U.S. OWNERS ARE ULTIMATELY AT RISK WITH REGARD
THE SINGAPORE SUBSIDIARY'S INVESTMENTS, IS AN ELIGIBLE

INVESTOR FOR PURPOSES OF OPIC INSURANCE.

2. OPIC HAS CONFRONTED AND RESOLVED THIS PROBLEM OF FOREIGN GOVERNMENT APPROVAL (FGA) FOR OPIC INSURANCE IN SEVERAL COUNTRIES, INCLUDING IRAN, THE PHILIPPINES AND MALAYSIA. OPIC CONSIDERS THAT THERE ARE VALID BUSINESS REASONS FOR U.S. COMPANIES TO INVEST THROUGH OVERSEAS SUBSIDIARIES. IN FACT, A SUBSTANTIAL PORTION OF OPIC'S PORTFOLIO CONSISTS OF INVESTMENTS BY FOREIGN SUBSIDIARIES OF U.S. CORPORATIONS. EMBASSY MAY WISH TO CONVEY TO BKPM AUTHORITIES, WHO OPIC UNDERSTANDS CURRENTLY TO BE SEEKING GUIDANCE ON MEANS TO ENCOURAGE FOREIGN INVESTMENT, OPIC'S BELIEF THAT IN ORDER TO ENCOURAGE AND PROMOTE NEW INVESTMENT, THE GOI SHOULD MINIMIZE PROCEDURAL, BUREAUCRATIC DELAY AND PROVIDE MAXIMUM FLEXIBILITY IN FINANCING, MANAGEMENT AND OTHER ARRANGEMENTS DICTATED BY BUSINESS CONDITIONS. ACCORDINGLY, OPIC BELIEVES THAT, SUBJECT TO REGULAR PROJECT APPROVAL PROCEDURES, IT IS IN THE GOI'S INTEREST TO APPROVE THIS AND OTHER PROPOSED INVESTMENTS BY ELIGIBLE OVERSEAS SUBSIDIARIES AS WELL AS BY U.S. BASED CORPORATIONS.

3. OPIC IS SURPRISED TO LEARN OF THE BKPM'S POSITION ON THIS MATTER IN VIEW OF THE FACT THE BKPM HAS OFTEN APPROVED OF OPIC INSURANCE FOR PROJECTS IN WHICH THE U.S. INVESTMENT WAS MADE THROUGH AN OFFSHORE SUBSIDIARY. A FEW CURRENTLY INSURED EXAMPLES ARE:

INVESTOR FOREIGN ENTERPRISE
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A. CPHAG A.G. (SWITZERLAND), WARNER LAMBERT INDONESIA
A SUBSIDIARY OF WARNER LAMBERT

B. MAGCOBAR DE VENEZUELA C.A. P.T. DRESSER MAGCOBAR
(VENEZUELA), A SUBSIDIARY OF INDONESIA
DRESSER INDUSTRIES

C. LINSON INVESTMENTS LTD. P.T. SQUIBB INDONESIA
(IRELAND), A SUBSIDIARY OF
SQUIBB

D. WEYERHAEUSER (FAR EAST) P.T. INTERNATIONAL
LTD. (HONG KONG), A WEYERHAEUSER TIMBER CORP. INDONESIA
CORP. SUBSIDIARY

4. OPIC WOULD APPRECIATE EMBASSY ASSISTANCE IN SECURING BKPM APPROVAL FOR OPIC INSURANCE. REQUEST COMMENTS ON PROPOSED INVESTMENT BE FORWARDED TO OPIC ASAP. IF OPIC

CAN PROVIDE FURTHER INFORMATION, PLEASE ADVISE. DECONTROL
AFTER MARCH 11, 1978.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: RGUPTA:ILK
Enclosure: n/a
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Film Number: D770087-1252
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770361/aaaaccfc.tel
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